

February 28, 2003

Detroit Edison



Mr. William Hohenstein
Global Change Program Office
United States Department of Agriculture
Room 112-a, J.L. Whitten Building
1400 Independence Ave, NW
Washington, DC 20250-3814

Re: Comments on Accounting Rules and Guidelines for Forest Carbon Sequestration

Dear Mr. Hohenstein:

DTE Energy supports the efforts of the United States Department of Agriculture (USDA) in developing the accounting rules and guidelines for crediting carbon sequestration projects. Revised accounting rules and guidelines will improve the Department of Energy's Voluntary Greenhouse Gas Reporting Program. The new registry to be established will account for private sector actions to reduce greenhouse gases.

Forest carbon sequestration, through forest restoration activities, represents an enormous potential to offset emissions of greenhouse gases. We encourage USDA to incorporate incentives into the accounting rules and guidelines that will maximize near-term investment in these projects. Wildlife habitat creation, native species protection, water quality improvements, soil erosion minimization and the recreational opportunities created by these projects are the immediately observable benefits. However, carbon offsets that will accrue can be substantial and may be the vehicle to get to the other benefits.

The enclosed DTE Energy comments express our concern that unless the current accounting method is changed, one of the best available near-term tools for CO₂ reduction will produce little more than "showpiece" projects. From the business point of view, the length of time to sequester significant carbon in new forests is measured in decades. This could represent a substantial disincentive for investment in forest restoration by the sectors that emit greenhouse gases. USDA should consider innovative ways to maximize the level and timing of offset credits provided for forest restoration activities.

Thank you for the opportunity to participate in the public comment process. We look forward to working with you further as the accounting rules and guidelines are drafted.

Regards,

A handwritten signature in dark ink, appearing to read "Skiles W. Boyd".

Skiles W. Boyd, Director
Environmental Management & Resources

Cc: U.S. Department of Energy